Camelot

2004

annual report and
financial statements

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Camelot's role 2004

Camelot's role
Camelot is the operator of the UK National Lottery. It employs around 900 staff, the majority of whom work from a head office in Watford, Hertfordshire. Other sites include a sales contract centre in Liverpool, a warehouse facility in Northampton, the communications department in London and four regional centres in Belfast, Cardiff, Glasgow and Liverpool.

The objective of all staff is to maximise returns to Good Causes through lottery games in the most efficient and socially responsible way. This involves creating, marketing and promoting new games; running and developing the lottery infrastructure; providing services for players and winners and working in partnership with retailers.

Camelot's partners
As operator of The National Lottery, Camelot's role is critical to the lottery's success but it is only one role in the partnership of organisations responsible for the differing functions of The National Lottery. They are:

- The Government, empowered by the National Lottery Act 1993, through the Department for Culture, Media and Sport which appoints and directs:
- The National Lottery Commission which, after a competition against an Invitation to Tender, awards the licence to run The National Lottery and regulates:
- Camelot, the lottery operator, which raises money for:
- Five Good Causes approved by Parliament, who select and allocate funds to 14 distribution bodies. These in turn decide which beneficiaries should receive funding.

Licence facts
In May 1994 Camelot was awarded a seven-year licence to run the lottery and on 14 November 1994 the first draw-based tickets went on sale. In December 2000 Camelot was awarded the second seven-year licence to run The National Lottery, which commenced on 27th January 2002.

Breakdown of the lottery pound
Under the terms of Camelot's licence each pound spent on the lottery is allocated, over the seven-year period, as follows:

- 50p is paid to winners in prizes
- 28p is given to the five Good Causes as set out by Parliament
- 12p is passed on to Government in Lottery duty
- 5p is paid to National Lottery retailers on all National Lottery tickets sold, with 1% commission on all prizes paid out over £10, up to and including £200
- 4.5p covers Camelot's operating costs which comprise of running the lottery network and computer system, marketing expenses, player and retailer support services and administration costs
- 0.5p is Camelot's profit in the second licence, down from just under 1p in the pound in the first licence

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Chairman's Statement 2004

In May 2004 I took over as Interim Chairman of Camelot when Michael Grade took up his appointment as Chairman of the BBC. It is a tribute to his leadership of the Board that he leaves, in excellent shape, a company that has returned to growth, and which has the skills and motivation to meet the challenges and opportunities of the coming years.

In his four years on the Board of Camelot – the last two as Chairman – Michael offered a wealth of commercial and media experience. This was manifest in a clear analysis of the company's objectives, opportunities and responsibilities, and also in the valuable support and guidance provided to the executive team in the formulation and execution of a strategy that has successfully addressed a period of considerable challenge.

The Chief Executive's report sets out in detail how Camelot has bucked the international trend – where the appeal of mature lotteries gradually declines – and has returned the company to growth a year ahead of schedule. Camelot remains the most efficient lottery operator in the world and indeed it has become the operating model of choice when new lotteries are being set up. That combination of size and efficiency underpins Camelot's effectiveness in achieving its primary public purpose: delivering money to Good Causes. The total generated from direct lottery sales at the end of this financial year now stands at over £13.99 billion, which when added to the £1.61 billion from the cumulative interest earned in the National Lottery Distribution Fund account, held by HM Treasury, brings the total amount for Good Causes to £15.6 billion. In total more than 160,000 individual projects have benefited from lottery grants.

Camelot remains committed to maximising these returns to Good Causes – but in a socially responsible way. We maintain an ongoing dialogue with our key stakeholders and have set ourselves a number of commitments for the upcoming year, detailed in our Social Report which can be found on our website at www.camelotgroup.co.uk/socialreport2004

The National Lottery is no ordinary business. Its public purposes give the operator particular duties and responsibilities, even though it has no monopoly over the money the public chooses to spend on a flutter. It is above all a creation of statute, and Camelot must meet specific legal obligations in addition to its commercial imperatives. As such it is properly subject to scrutiny by Parliament and to regulation by the National Lottery Commission (NLC). The very success of raising nearly £14 billion for Good Causes has made the lottery a national institution. Quite rightly, there are high expectations for its continuing performance: the future shape and organisation of The National Lottery are therefore subject to public examination and debate.

There are long lead times for awarding the operating licence, and discussion of the appropriate mechanisms for awarding the Third Licence (commencing in 2009) is now well under way. In addition to the overriding objective of safely securing the best returns to Good Causes, there is also the wish to ensure vigorous competition in the licensing process. Camelot has already won two successive licences, each time against strong competition, and endorses the view that competitive bidding is an effective means of selecting the most efficient and reliable operator.

However, at the time of writing this report, it is proposed that the current 'single licence' model, under which The National Lottery is run by a single operator, be replaced with a 'multiple licence' model in which the NLC would be able to offer one or more operating licences to run different elements of the lottery.

After nearly 10 years' experience of the complexities of operating The National Lottery, Camelot is extremely concerned that the model proposed by the NLC – which has been adopted by no major lottery anywhere in the world – would have a damaging effect on returns to Good Causes. In our view competition within The National Lottery would increase costs and reduce efficiency, while confusing players and retailers alike.

Both the Culture, Media and Sport Select Committee and the Joint Scrutiny Committee on the draft Gambling Bill considered the multiple licence model. Having digested evidence from interested parties including retailers, the World Lottery Association, and Camelot's known rivals, both committees recommended that, in the light of the considerable opposition from across the industry, the multiple licence proposal be reconsidered.

We are pleased that in May 2004 the Department for Culture, Media and Sport (DCMS) announced that it too would review the proposed multiple licence approach. Camelot believes that a healthy and appropriate level of competition is achievable for the Third Licence. We have already submitted a number of proposals for delivering competition in ways which will not endanger the demonstrable success of the single operator model and subsequent returns to the Good Causes. These proposals include a two-stage bidding process, with financial support for the second stage. Camelot has also been working with DCMS and the NLC to ensure that any perceived advantages of incumbency are further minimised in the next licence round. At the same time, fairness requires that Camelot should not be disadvantaged, but must be able to compete on a basis of equality.

The Government is expected to deliver its definitive position on lottery licensing in November, close to the publication of The Gambling Bill. The Bill is likely to have major policy and practical implications on the lottery outside the licensing process itself and – as a custodian of The National Lottery – Camelot will be closely following the progress of the Bill through both Houses of Parliament over the coming year.

Camelot is proud of its record of delivering revenue to Good Causes in the past 10 years. This must remain the key priority for the remit, structure and operation of The National Lottery. The upturn in sales over the past year is the fruit of a carefully planned strategy: it is also proof of a practical commitment to deliver. As the new legislation crystallises, the Board will do its utmost to ensure that returns to Good Causes remain the key deliverable objective, not as a narrow corporate focus, but in pursuit of the beneficial public purposes for which The National Lottery was established 10 years ago.

I would like to thank DCMS, and in particular the Secretary of State, for their continued support and encouragement through the year, not least in delivering joint working between the operator and the distribution bodies, as well as their measured and considered approach to the future of lottery licensing. A constructive ongoing dialogue with the NLC has continued during this year and I would like to acknowledge their continued professional independence in relation to licensing and compliance matters.

Finally, I would like to thank Matthew Taylor and Jerry Cope who both left the Board this year. Jerry has been replaced by David Mills as Royal Mail's representative. Also my congratulations to Dianne Thompson, her executive team and to all of Camelot's staff who have worked so diligently to deliver the turnaround in the company's – and The National Lottery's – performance. They have worked to a careful strategy in which there have been no quick fixes: they have built a very solid base for the future, of which all of us are justly proud.

Gerry Acher

Gerry Acher CBE LVO
Interim Chairman
25 May 2004

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Chief Executive's Review 2004

Last year I detailed our strategy to return The National Lottery to growth. This initiative was based on a detailed analysis of the experience of a number of international lotteries, and from it we produced a programme of action to counter the worldwide trend of falling Lotto sales. That strategy centred on diversification of the game portfolio and re-engaging players' interest.

I am delighted to be able to report that The National Lottery is back in growth a full year ahead of the target date we announced last year. Total sales for the financial year 2003/4 grew to £4,614.6 million – an increase of over £40 million on last year's figure. This fiscal year's average weekly sales were over £88 million a week, which is over £40 million a week more than when The National Lottery launched in 1994 with just one game.

The success of our diversification strategy is evident from sales of non-Lotto games, which rose by 17% across the year, and now account for 30% of total sales. This has allowed Lotto to move closer to the proportion of play which is seen in other mature lotteries around the world – again, in line with Camelot's long-term diversification strategy.

The growth of the non-Lotto portfolio has been driven by the successful launch of a number of attractive new products such as the Daily Play and EuroMillions games. We also introduced 34 new scratchcard games, including those based on popular themes such as 'Twister', 'Lord of the Rings', and 'Connect 4'.

During the year National Lottery players raised a further £1.2 billion for Good Causes – an average of £23.4 million a week – bringing the total raised to date from direct lottery sales to £13.99 billion. Combining this with the £1.61 billion which has been generated from cumulative interest earned in the National Lottery Distribution Fund, the total for Good Causes now stands at £15.6 billion. This, in turn, has funded the largest programme of civic regeneration seen since the Victorian era, with nearly 160,000 individual projects having benefited from lottery grants by the end of March 2004.

This financial year has bought good news for National Lottery players too. Not only did we create our 1,600th National Lottery millionaire, but the number of winning tickets across our expanded portfolio of National Lottery games rose by nearly 12% year-on-year.

While our focus has been on nurturing our portfolio of games – offering consumers greater choice – we have also strived to broaden access to lottery games; offering consumers even greater convenience. We have introduced an additional 600 new National Lottery draw-based terminals, following research showing there was scope for incremental National Lottery ticket sales. We have also built on the very successful launch of Interactive Instant Win Games in February last year, through launching Lotto and Daily Play on the Internet.

Our strategy for growth has delivered and we are confident that we can maintain that sales performance, to the benefit of tens of thousands of lottery-funded projects in the year to come.

But we do not intend to rest on our laurels; the focus for 2004/5 will be to extend customer convenience, which will further drive sales growth and help maximise returns to Good Causes. We are developing a service enabling players to buy lottery tickets from their mobile phone – a service which will be available across all the major UK networks. Camelot also plans to roll out a further 800 draw-based lottery terminals and we are currently researching and developing a system to sell lottery tickets at supermarket checkouts. Camelot will introduce a pilot scheme, initially with Tesco, before rolling out the full service. All these new initiatives are subject to approval from the National Lottery Commission.

Camelot is a private company with a very public remit. The National Lottery was set up by Parliament, to which we are ultimately accountable. We are regulated by the National Lottery Commission, and we are tasked with looking after the interests of our players, our retailers, our employees and our shareholders. With such a demanding list of stakeholders, corporate social responsibility is integral to the continued success of our business.

Camelot remains one of the UK's biggest corporate givers, donating over 5% of our pre-tax profits during this year. We remain committed to the Camelot Foundation, an organisation which is charged to help marginalised and vulnerable young people in society. The Foundation's policies are determined by a 10-strong board of trustees, four of whom are nominated by Camelot and six of whom are independent. During the year Camelot donated a further £2 million to the Foundation, bringing the cumulative total to £20 million.

Prevention of underage sales is an important area and one in which Camelot has worked hard over the years. Our pioneering initiative – Operation Child – is based on training, awareness and education, ensuring that retailers, and their staff, put in place all reasonable safeguards to prevent sales to under-16s.

The continued success of this initiative depends on extensive monitoring and sanctions. Test purchasers are used to monitor retail performance and where a retailer sells a ticket to a test purchaser on three separate occasions their terminal will be removed and their licence to sell lottery tickets terminated. Additionally, all allegations of sales to players by under-16s are investigated. During 2003/4 13 outlets had their terminals removed as a result – and a further five outlets had their terminal removed after being convicted of selling other age-restricted products to underage customers. These stringent measures are clearly working, as in the five years since we started Operation Child, the percentage of retailers selling on a first test purchase visit has fallen from 26% to 14.5%.

We continue to design, promote and sell National Lottery games to ensure they do not target vulnerable people: those who are under-16, those on low incomes and those who are likely to play excessively. Through our Advertising and Sales Promotion Code of Practice, agreed with the National Lottery Commission, we ensure that player protection is prioritised when developing, advertising, and promoting games. Our total spend on prevention strategies during this year was £2.4 million.

The diversification of the games portfolio onto new media platforms has required additional investment in player protection, well beyond the familiar retailer environment. Our first step was to create a robust system to prevent under-16s from registering online. When a player registers, their details are verified online by a third party specialising in identity authentication. This enables us to confirm that a player is over-16 and has a valid UK address. If a prospective player's age and address cannot be verified, that person cannot play. This system is currently the only online age verification system in the market and, at present, about 10% of people are excluded because their age and address cannot be verified. Of course, some of these may be legitimate players – and there is a facility for them to send in proof-of-age and address by post.

Chief Executive's Review 2004

Camelot has also worked hard to minimise excessive play online. Once registered and authenticated, players are able to initiate a number of 'Game Settings' in order to manage their behaviour. Players can opt to exclude themselves from playing one or more of the Instant Win Games. Should they wish to alter that setting the change will not become effective until the next operational day, allowing a "cooling off" period.

Camelot's online prevention strategy was drawn up to comply with the GamCare Code of Practice for Online Lotteries. We were delighted to be awarded GamCare certification in acknowledgement of our achievements in implementing the Code. In April, this accreditation was extended to cover the National Lottery interactive TV site provided through Sky Active. Camelot was the first company to receive accreditation from GamCare for its work in this field, highlighting our commitment to the highest standards of player protection for our interactive services.

Camelot's core purpose is to maximise returns to Good Causes, which is why our strategy for growth is so important. Although Camelot has no say in how Good Cause funding is allocated, we firmly believe that our players have the right to know where their money is being spent. In partnership with the Department for Culture, Media and Sport and the distribution bodies, we have established the National Lottery Promotions Unit, which aims to build awareness of lottery-funded projects. Camelot is also sponsoring the retrospective rollout of 10,000 'crossed fingers' blue plaques to lottery-funded projects nationwide. The 10,000th plaque will be revealed in time for the first National Lottery Day on 6 November 2004.

As we look forward to what promises to be another landmark year for The National Lottery, I would like to mention my colleagues on the Board for the clear-thinking and hard work that has made the development and delivery of our strategy for growth so successful. I would like to give special thanks to Michael Grade for the energy and insight he brought to the Board as Chairman, both in contributing to the company's commercial success, and in steering a clear and sensible course through the discussions on the future of lottery licensing. We wish him well in his important new role as Chairman of the BBC. Gerry Acher, who took the helm as Interim Chairman earlier this year, deserves special mention for his sterling work while we search for a successor to take the company through to the Third Licence.

Last, but not least, I would like to thank Camelot's staff, whose hard work has returned The National Lottery to growth a year ahead of schedule. Their dedication has ensured that the lottery is in the best possible shape in its 10th Birthday year. Our strategy for growth has delivered and we are confident that we can maintain that sales performance, to the benefit of tens of thousands of lottery-funded projects in the year to come.

Dianne Thompson

Dianne Thompson
Chief Executive
25 May 2004

Business Review 2004

Results and overview of main events.

This review provides further information on the main events that have occurred throughout the financial year 2003/4 and on the Company's financial performance during the year ended 31 March 2004.

I am pleased to report that overall sales were in growth for the first time in six years, up on the previous year by 0.9%. The increase has been achieved a year ahead of schedule through continued growth in non-Lotto sales (17%) and by stemming the rate of decline of Lotto sales, which decreased by 4.8% (2002/3: 12%).

Total sales for the year ended 31 March 2004 were £4,614.6m (2003: £4,574.5m). Within this figure, total sales for draw-based games totalled £3,973.6m (2003: £3,996.8m), while sales for National Lottery scratchcards and Interactive Instant Win Games were £641.0m (2003: £577.7m).

This year Camelot has succeeded in further growing its portfolio, with the successful launch of the new EuroMillions and Daily Play draw-based games. The expansion of the game portfolio and the double digit growth in scratchcard sales has helped to boost overall sales of National Lottery games, a further endorsement of Camelot's strategy for growth.

Amounts payable to the National Lottery Distribution Fund (NLDF) in respect of ticket sales amounted to £1,216.2m (2003: £1,257.7m). A more detailed explanation on the NLDF is on page 10, and total cash payments made to the NLDF in the year are shown in the table on page 10. By 31 March 2004, total funds raised by the National Lottery were more than £13.9 billion.

The Company's profit before tax was £45.5m compared to £42.3m in the prior year with profit after tax of £31.4m (2003: £29.2m). Dividends relating to the 2004 financial year were £31.4m (2003: £29.2m), of which £18.6m was paid during the year and the remaining amount, £12.8m, is payable after the year end.

Trading conditions continue to be challenging with competitive pressures brought about both by new technologies and continuing deregulation within the gaming industry.

Draw-Based Games

The double digit growth witnessed in our non-Lotto portfolio has more than offset a moderate (4.8%) decline in Lotto sales (2003: 12%). There were 27 Rollovers in the Lotto game this year (2003: 18), including three Double Rollovers (2003: one) and two Rollovers following a Superdraw (2003: nil). Five Superdraw events were held during the year (2003: four). Sales of non-Lotto draw-based games increased by 22.8% to £748.6m (2003: £609.7m) and comprise Lotto Extra, Thunderball, Lotto HotPicks, Daily Play, EuroMillions and Christmas Millionaire Maker. Non-Lotto draw-based games now represent 16.2% of the portfolio (2003 : 13.3%).

Scratchcards

National Lottery scratchcard sales experienced growth for the third year in succession, increasing by 10% year-on-year. We have achieved this by introducing licensed themed games such as 'Lord of the Rings', 'Space Invaders' and 'Connect 4', higher price point games, new dispensers and strong marketing support. The National Lottery scratchcards brand remains the nation's leading impulse purchase brand.

Interactive

On 15 December 2003, we successfully launched Lotto on the internet; this was followed by the launch of Daily Play. During the year we developed our interactive TV platform, in preparation for launch in 2004/5.

Cash payments to the NLDF:

	Year to 31 March 2004 £m	Year to 31 March 2003 £m	Total to date £m
Ticket Sales	1,236	1,260	12,584
Unclaimed prizes	73	85	618
Other Payments	0	33	791
Total Cash Payments	1,309	1,378	13,993

*Camelot adopts a full accruals basis of accounting and, therefore, this figure – which relates to cash payments made – differs from that shown on the profit and loss account. The NLDF also benefits from interest arising on its own cash balance and interest arising on certain trust accounts utilised for the payment of prizes and amounts held in trust in respect of future draws.

Social reporting

During the course of the year we have continued to demonstrate best practice in corporate social responsibility. Our established Social Reporting process helps to enhance our accountability to all those who have a stake in The National Lottery. Camelot increased its score in BitC's Corporate Responsibility Index to 82.5% (2003: 71.9%). We also rated number 73 of the top 100 UK companies by BitC's Companies that Count. The external Advisory Panel for Social Responsibility that is chaired by one of our non-executive directors continues to monitor our progress and recommend improvements.

Prizes

Amounts allocated in prizes to players increased to £2,293.7m (2003: £2,238.1m).

In any lottery there are prizes which remain unclaimed. If prizes are not claimed within 180 days of the draw date for Lotto and other draw-based games, or 180 days after the close of a National Lottery scratchcards game, they are paid over to the NLDF. This is the central fund from which the National Lottery Distribution Bodies draw down funds for distributing to the Good Causes. Unclaimed prizes amounted to 1.6% of sales in 2004 and totalled £73.4m (2003: £84.9m, 1.9% of sales). The interest earned on the unclaimed prizes is also paid over to the NLDF.

National Lottery Distribution Fund (NLDF)

The amount payable to the NLDF from ticket sales was £1,216.2m (2003: £1,257.7m). This very small decrease primarily reflects Licence conditions, the increase in the amount paid out to players, and a small fall in contributions from unclaimed prizes. Our Section 5 Licence is structured so that in any one year the higher the prize payout to players, the lower the proportionate returns to the Good Causes and Camelot. Over the course of the seven year licence the overall return to Good Causes is 28%.

We considered an increase in prize payout this year was absolutely necessary in the longer term to attract new players and this strategy has now started to deliver overall sales growth and, in particular, a 17% growth of non-Lotto sales. These new games will ensure the long-term health of The National Lottery, which will result in greater returns to Good Causes over the course of the licence period.

The table above gives details of all cash payments made to the NLDF.

Lottery Duty

Lottery duty has remained at 12% of sales, and totals £553.8m for the year (2003: £548.9m).

Retailers and retailer commission

Retailer commission in respect of the year totalled £242.0m (2003: £241.1m). The total lottery network comprises around 30,000 retailers with approximately 5,000 selling National Lottery scratchcards only, and around 25,000 selling both draw-based games and scratchcards.

Retailers' commission is fixed at 5% of all sales plus 1% of prizes paid out between £10 and £200. In addition to paying this commission, Camelot continues to provide all lottery terminal and point-of-sale equipment, maintenance and servicing of the equipment, consumables, telecommunications and training free of charge to retailers.

Terminal and data communication costs

Terminal and data communication costs decreased to £100.9m for the year (2003: £101.1m). These costs include the maintenance of software, terminals and communication network, all costs associated with the purchase of National Lottery scratchcards tickets, point-of-sale and other consumables, and depreciation of terminal and data communications equipment.

We understand the significance of providing high levels of systems availability, not only to ensure the satisfaction of players and retailers but also to facilitate sales. During the year we completed a programme to migrate our data communication network to ISDN technology, successfully completing the rollout of Europe's largest dedicated ISDN network. Systems availability continued to be at exceptionally high levels, 99.9% against a target of 99.5%. In addition, there are certain financial penalties incorporated in the Section 5 Licence should the number of lottery outlets fall below the number specified in the Licence on a particular quarter-end date. To date no such financial penalties have been incurred.

Administrative expenses

Administrative expenses of £163.6m (2003: £148.0m) consist mainly of advertising and marketing expenditure, depreciation and administration costs, which include all staff and facility costs. The increase of £15.6m against last year is due to increased staff costs, and additional legal and consultancy costs in relation to the Third Licence and new technology.

Capital expenditure in the year amounted to £23.3m (2003: £52.3m), primarily as a result of continued investment in Interactive, new software and other IT equipment. The prior year comparative consisted mainly of Interactive equipment and development.

Donations to The Camelot Foundation and Registered Charities

Camelot made cash donations of £2.0m to The Camelot Foundation (2003: £2.0m). Since The Foundation's launch in 1996, Camelot has donated some £20.0m to The Camelot Foundation.

Other corporate donations to registered charities made in cash during the year amounted to £0.5m (2003: £0.7m) with some further contributions in kind.

Camelot is one of the UK's leading corporate donors, last year donating over 5% of our pre-tax profits, more than most companies in the UK.

Taxation

The Corporation tax charge of £14.1m for the year (2003: £13.1m) represents an effective tax rate of 31.0% (2003: 31.0%).

VAT

Sales of lottery tickets are exempt from VAT. Therefore, VAT is not normally recoverable on the Company's costs and is a charge against profits. The VAT cost for the year under review, including that arising on capital expenditure, was £32.2m (2003: £31.2m).

Cash flows, cash and debt

Net cash inflows from operations were £32.8m (2003: £73.3m), and interest of £1.5m was received (2003: £3.5m).

In addition, there were net cash outflows arising from taxation payments of £17.1m (2003: £1.5m inflows) and cash outflows relating to the payment of dividends of £35.6m (2003: £37.8m).

The closing cash balance was £0.3m (2003: £49.5m). The decrease is primarily due to the timing of receipts from retailers, together with the continuing investment in capital projects.

The net cash inflow from operations represents ticket sales less payment of prizes, lottery duty, payments to the NLDF and operating expenditure. Cash is received from retailers net of prizes paid and commission due to retailers. Settlement of retailers' debts is on a weekly basis as are payments due to the NLDF and payments into trust for prizes.

In order to protect prize winners and players, Camelot has set up certain trust accounts operated by The Law Debenture Trust Corporation plc who act as an independent trustee. Funds for prize winners are deposited in a trust account on a weekly basis. The interest earned on this account (after expenses of operating the trust) accrues to the benefit of the Good Causes.

In addition, at 31 March 2004, Camelot had deposited £21.5m (2003: £20.2m) of funds in trust accounts, of which £6.3m relates to EuroMillions (2003: £nil), as an additional reserve for the protection of prizewinners. The interest on these accounts accrues to Camelot. There are certain restrictions over the liquidity of the accounts and as a result Camelot cannot withdraw the amounts until the end of the Licence period.

At 31 March 2004 the Company had two undrawn revolving credit facilities totalling £60.0m (2003: £50.0m) secured by a floating charge. There is an additional undrawn overdraft facility of £29.3m (2003: £19.8m) available to the Company. The overdraft facility is subject to annual renewal.

Interest and exchange rates

Net interest receivable in the year amounted to £0.1m (2003: £1.6m), the average yield on investment being approximately 3.6% (2003: 3.8%).

The Company's interest rate exposure is hedged if considered appropriate. Strict controls apply to Treasury operations which are reviewed regularly. The investment policy is approved by the Company's Audit, Risk and Security Committee and the Board. Funds are only deposited within strict parameters with regard to both counterparty and maturity.

The Company does not invest in complex derivatives and under no circumstances will instruments be utilised which result in an unquantified risk being assumed.

All of Camelot's major contracts are priced in sterling, therefore, the Company has little direct exposure to movements in exchange rates.

Distributions and dividends

Total paid and proposed dividends for the year amounted to £31.4m (2003: £29.2m). A final dividend of £12.8m (2003: £17.0m) is proposed.

Tony Jones
Operations Director
25 May 2004

The expansion of the game portfolio and the double digit growth in scratchcard sales has helped to boost overall sales of National Lottery games, a further endorsement of Camelot's strategy for growth.

Directors' report and financial statements for the year ended 31 March 2004

The directors of Camelot Group plc present their report together with the audited financial statements for the year ended 31 March 2004.

Principal activity, business review and future developments

The principal activity of the Company is the operation and promotion of The National Lottery in the United Kingdom. The establishment of the UK National Lottery was enabled by the passing of The National Lottery etc. Act 1993.

Camelot operates the National Lottery pursuant to licences granted by the National Lottery Commission (NLC) in October 2001, January 2002 and other licences in respect of individual games granted thereafter. The Company expects to pursue this principal activity for the coming year.

The Company has seen sales growth in the year as forecast by management, and results are therefore in line with the directors' expectations. Much of the Company's focus for the forthcoming year will be on improving distribution channels, on launching a fully integrated online subscriptions service and on the launch of lottery products via mobile technology.

Results and Dividends

The financial statements of the Company appear on pages 30 to 47. The Company's profit after tax was £31.4m (2003: £29.2m), as disclosed on the profit and loss account on page 30.

Total paid and proposed dividends for the year amounted to £31.4m (2003: £29.2m) (see note 6 to the financial statements). A final dividend of £12.8m is proposed.

Related Party Transactions

Camelot has entered into contracts of significance with two of its shareholders or their parent and/or subsidiary companies, details of which are given in note 24 to the financial statements.

Suppliers

The Company's policy is to pay suppliers 30 days after the end of the month in which their invoice is received or within such other credit period as agreed between the parties, providing the obligations of those suppliers are met. These terms are stated on all purchase orders issued by the Company. At 31 March 2004 the Company's trade creditors outstanding represented approximately 42 days' purchases (2003: 41 days).

Global Crossing

Global Crossing (UK) Telecommunications Limited supplies the majority of the data communications network for Camelot's retailer network. Global Crossing Limited, the Bermuda registered parent company, exited Chapter 11 bankruptcy protection in the United States during the year.

Directors

The names of the present directors are:

Non-executive Chairman (interim):
Gerry Acher CBE LVO
(The former Chairman, Michael Grade, resigned from the Board on 14 May 2004. Gerry Acher was appointed as Interim Chairman from 15 May 2004).

Independent non-executive director
Louise Botting CBE

Shareholder nominated non-executive directors
John Bennett
(nominee of Fujitsu Services Limited)

Michael Clark
(nominee of Cadbury Schweppes plc)

Robert McGowan
(nominee of De La Rue Holdings plc)

Ross McInnes
(nominee of Thales Electronics plc)

David Mills
(nominee of Royal Mail Enterprises Limited)

Executive directors
Dianne Thompson
(Chief Executive)

Tony Jones
(Operations Director)

Phil Smith
(Commercial Director)

Under the Company's Articles of Association, each shareholder nominated director may appoint an alternate.

Current alternates are as follows:
Louise Fluker
(alternate to Robert McGowan, De La Rue Holdings plc)

Tim Robinson
(alternate to Ross McInnes, Thales Electronics plc)

David Sillitoe
(alternate to John Bennett, Fujitsu Services Limited)

Mark Thomson
(alternate to David Mills, Royal Mail Enterprises Limited)

Changes to the directors serving during the year ended 31 March 2004 were as follows:
Matthew Taylor (independent non-executive director) resigned on 3 September 2003.

Jerry Cope (shareholder non-executive director representing Royal Mail Enterprises Limited) resigned on 24 September 2003, and David Mills (shareholder non-executive director) was appointed to replace him on the same date.

Changes to the directors subsequent to the year under review were as follows:
An offer has been accepted by a candidate to fill the vacancy created when Matthew Taylor resigned. However, the candidate has not yet been formally appointed to the Board.

David Kappler (alternate to Michael Clark representing Cadbury Schweppes plc) resigned from the Board on 13 April 2004.

In addition, Michael Grade resigned as Chairman on 14 May 2004 to take up the position of Chairman of the BBC. Gerry Acher, an independent non-executive director, was appointed as Interim Chairman on 15 May 2004 until a new Chairman is formally appointed.

None of the directors has a beneficial interest in, or options to acquire, shares in the Company.

Insurance for directors and officers
The Company has in place liability insurance for its directors and officers.

Political and charitable donations
In 1996 the Company established The Camelot Foundation. The Camelot Foundation is a registered charity and its focus is to concentrate on work which aims to connect or re-connect highly marginalised young people to the mainstream of UK life. Since its inception the Company has paid a total of £20.0m to The Camelot Foundation, of which £2.0m (2003: £2.0m) has been paid during the year.

The Company made further direct donations to other community and charitable organisations of £0.5m (2003: £0.7m) and in addition made some contributions in kind. The Company made no donations for political purposes during the year ended 31 March 2004 (2003: nil).

Shareholdings

The following share structure is in place

	Number of 'A' Shares	Number of 'B' Shares	Total % Holding of Shares
Cadbury Schweppes plc	7,750,000	–	20
De La Rue Holdings plc	7,750,000	–	20
Fujitsu Services Limited	5,812,500	1,937,500	20
Thales Electronics plc	7,750,000	–	20
Royal Mail Enterprises Limited	–	7,750,000	20

Further details of the rights and obligations of each class of share are given in note 16 to the financial statements.

Employees

The Company's employment policies have been designed to respect the individual and offer career and personal development opportunities regardless of colour, ethnic or racial origin, nationality, disability, sexual orientation or marital status. Full and fair consideration is given to the employment, training and development opportunities of all individuals. Camelot is a Gold Card Member of the Employers' Forum on Disability.

The Company has an extensive and well-established structure for communicating with employees and has an annual performance-related bonus scheme payable to all permanent staff. For the year under review, bonuses were based on targets to be achieved in respect of the performance of the Company, money to be raised for the Good Causes and performance against personal objectives. In addition, the Company has in place a long-term incentive plan (see Directors' Remuneration Report) to retain and motivate permanent staff.

Two staff trustees represented the staff in relation to the Camelot pension fund during the year at any one point in time. One staff trustee resigned on 6 April 2004. Elections to replace him will occur in the forthcoming year.

Staff Consultative Forum

Since the establishment of a Staff Consultative Forum (SCF) in September 1999, it continues to be consulted on all significant policy proposals and initiatives affecting staff, and in turn gathers company-wide reactions to such proposals.

Place of business – Northern Ireland

The Company is registered as having a place of business in Northern Ireland pursuant to Part XXIII of The Companies (NI) Order 1986.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors confirm that they have complied with these requirements.

Going Concern

After making appropriate enquiries, the directors confirm that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Corporate Governance

A report on corporate governance is set out on pages 17 to 21.

Close company status

The Company is not a close company within the meaning of the Income and Corporation Taxes Act 1988 and there has been no change in that status since the year end.

Auditors

The auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office. A resolution proposing their reappointment and authorising the directors to determine their remuneration will be put to the members of the Company at its 2004 Annual General Meeting.

By order of the Board

Gill Marcus
Company Secretary
25 May 2004

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Report on Corporate Governance 2004

Although Camelot Group plc is not obliged, in law, to comply with the requirements of the Codes of best practice in Corporate Governance, the Board is committed to business integrity, high ethical values, corporate responsibility and professionalism in all its activities. This report sets out how the Company complied during the year ended 31st March 2004 with the principles contained in the Combined Code on Corporate Governance issued in 1998 by the Hampel Committee and annexed to the Listing Rules by the UK Listing Authority (the "Code"). During the year a detailed review was undertaken by the Company Secretary at the Board's request to ensure, as far as practicable, compliance by the Company with the New Combined Code published by the Financial Reporting Council in July 2003 (the "New Code"). This report outlines the approach adopted to the principles contained within the New Code and, at the end, provides an explanation of any current departure from the provisions of the Code or the New Code.

Board of Directors

At 31 March 2004, the Board comprised eleven members, notably the Chairman, three executive directors (the Chief Executive, Operations Director and Commercial Director), two independent non-executive directors and five shareholder nominated non-executive directors (each of whom had a designated alternate). This is considered to be an effective size and balance for the Company.

Since the year end, the Chairman has resigned following his appointment as Chairman of the BBC and one of the independent non-executive directors has taken on the role of Interim Chairman. As a result, there exists a vacancy for the role of permanent Chairman. In addition, a further non-executive director has accepted a position on the Board. This will be formalised during the next financial year.

There is a clear delineation of responsibility between the Chairman and the Chief Executive and other executive directors. The Chairman leads the Board, ensuring that each director, particularly the non-executive directors, is able to make an effective contribution. He monitors, with assistance from the Company Secretary, the information distributed to the Board to ensure that it is sufficient, accurate, timely and clear. The Chief Executive maintains day-to-day management responsibility for the Company's operations, implementing group strategies and policies agreed by the Board.

During the year, the Chairman's other significant commitments have been Pinewood Shepperton Ltd and Hemscott plc. The Board considered that the Chairman's other obligations during the year under review did not prevent him from spending sufficient time on Camelot matters.

Regular Board meetings are held during the year (six during the year under review) including a specific meeting to direct overall strategy and operations. Board meetings follow a formal agenda covering regular reports from the Chief Executive, Operations Director and Commercial Director. The attendance of directors at the Board and Committee meetings during the year is detailed in the table on page 18.

The Chairman has ample opportunity to meet with the Board excluding the executive directors, and the shareholder nominated directors also meet as a group when they feel there are items of importance to discuss. A formal document sets out matters specifically reserved for decision by the Board. All Board members are free to raise other issues at the Board. Board papers are sent to directors in good time before Board meetings. These cover key areas of the Company's affairs including overall strategy, acquisitions and other key commercial partnerships, approval of budgets, major capital expenditure programmes and significant transactions and financing issues. The Board has delegated certain functions to committees, as set out below. However, the Board takes direct responsibility for the review and monitoring of key areas such as risk management. The Board approves all capital expenditure in excess of £1 million.

Director	Board (6 meetings) No. Attended	Audit, Risk & Security Committee (4 meetings) No. Attended	Remuneration Committee (3 meetings) No. Attended	Nominations Committee (1 meeting) No. Attended
Michael Grade	6	3	3	1
Dianne Thompson	6	4	3	N/A
Phil Smith	5	1 *	N/A	1
Tony Jones	6	4	N/A	N/A
Gerry Acher	4	4	1	-
Louise Botting	6	N/A	3	1
Matthew Taylor	2 **	N/A	N/A	N/A
John Bennett	6	3 ***	N/A	1
Ross McInnes	5	1	N/A	N/A
Robert McGowan	6	4	N/A	N/A
Michael Clark	4	N/A	3	1
Jerry Cope / David Mills	4	N/A	3	N/A

* Phil Smith was invited to attend the Audit, Risk and Security meetings from November 2003.

** Matthew Taylor resigned in September 2003.

*** John Bennett attended one meeting of the Audit, Risk and Security Committee as an invitee and was formally appointed a member in November 2003, after which he attended two further meetings.

† Each shareholder nominated director appoints an alternate, who may attend meetings in the absence of his principal. During the course of the year under review, Mark Thompson attended two Board meetings instead of Jerry Cope and Tim Robinson attended a Board meeting and two Audit, Risk and Security Committee meetings instead of Ross McInnes.

There is an agreed procedure for directors to take independent legal advice. The Company Secretary is responsible for ensuring that Board procedures are followed. All directors have access to the Company Secretary, and there is a procedure in place enabling any director, in the furtherance of his or her duties, to seek independent professional advice at the Company's expense. During the year under review, the Board delegated its authority to the following Committees:

Audit, Risk & Security Committee

Chair
Gerry Acher CBE, LVO

Members
John Bennett, Michael Grade CBE, Robert McGowan, Ross McInnes

Usual Attendees
Dianne Thompson, Tony Jones, Phil Smith, and other functional managers for relevant sections of the meeting

This Committee is comprised exclusively of non-executive directors. Executive directors are invited to attend Committee meetings, as necessary, to conduct its business. The Head of Business Assurance, the Director of Finance, and representatives of the external auditors are normally invited to attend meetings. The Committee meets at least three times a year and its duties are as follows:

Audit
The Committee reviews the Company's financial and accounting policies, interim and final results and Annual Report prior to their submission

to the Board, together with management reports on accounting and internal control matters. It also reviews the appointment and terms of reference of the external auditors, their management letter, and considers any other matters raised by the auditors. In respect of non audit services, the Committee reviews auditor objectivity and ensures that their independence is safeguarded. It monitors the effectiveness of the internal audit function. At least once a year, the Committee meets separately with the external auditors and Head of Business Assurance without any executive Board members present.

Risk

This section of the Committee meets to assist the Board in fulfilling its responsibilities for managing the risk associated with the business and reviewing the Company's internal controls. It also monitors the framework that is in place throughout the Company to manage risk.

Security

The Directors of Security of both Camelot Group plc and De La Rue Holdings plc are normally invited to attend the security section of the meeting. This section approves and ensures adherence to the Company's security policies for operating The National Lottery.

Remuneration Committee

Chair

Louise Botting CBE

Members

Gerry Acher CBE LVO, Michael Clark, Michael Grade CBE, David Mills

The Remuneration Committee is comprised exclusively of non-executive directors, under the chairmanship of an independent non-executive director, Louise Botting. It recommends to the Board the policy on executive directors' remuneration and it determines the terms and conditions of employment of the executive directors, in particular focusing on the remuneration of the executive directors and the Chairman including pension rights and any compensation payments. Further details are set out on pages 22 to 27.

Nominations Committee

Chair

Michael Grade CBE

Members

Gerry Acher CBE LVO, John Bennett, Louise Botting CBE, Michael Clark

Camelot recognises the vital role that non-executive directors play in ensuring high governance standards. The Nominations Committee identifies and evaluates candidates to fill vacancies and these are nominated for approval by the Board as a whole. The Nominations Committee is comprised exclusively of non-executive directors, under the chairmanship of the Chairman of the Board. It meets periodically as required to make recommendations to the Board in respect of the appointment of directors. The Committee engages the services of an executive search agency to help draw up a shortlist of suitable candidates if a vacancy arises. In briefing any such agency, the Committee monitors the composition and balance of the Board. Whilst the Chairman of the Board chairs this Committee, he is not permitted to Chair meetings when the appointment of his successor is being reviewed.

Nominations Committee (Chairman)

Chair

Louise Botting CBE

Members

Gerry Acher CBE LVO, John Bennett, Michael Clark, Robert McGowan, Ross McInnes, David Mills

When necessary this Committee meets to consider and select suitable candidates for the role of Chairman of the Board.

Advisory Panel for Social Responsibility

Camelot has a panel of independent experts chaired by a non-executive director, Louise Botting, that reviews the Company's social report and advises on continuous improvement in the area of corporate social responsibility. Although not a formal Board Committee, the panel reports regularly to the Board.

Independent non-executive directors

The independent non-executive directors are initially appointed for a three-year term after which, whilst not automatic, their appointment may be extended for a further three-year term, subject to mutual agreement and shareholder approval. The non-executive directors have full access to management and are encouraged to stay fully abreast of the Company's business through site visits and meetings with senior management. Appropriate induction briefings are available to all directors on appointment and subsequently training is offered, as necessary, taking into account their qualifications and experience.

Relations with shareholders

Camelot is owned by a consortium of shareholders with whom it maintains close links. All shareholder companies are represented around the Board table and have direct lines of access to the Chairman, the executive directors, the independent non-executive directors and the Company Secretary.

Licence compliance

The directors are responsible for establishing an adequate system of control so that assurance is provided over compliance with the provisions of the Section 5 Licence and Section 6 Licences and any other provisions imposed by or under any statute which relate to the running of The National Lottery or the promotion of any constituent lottery. This system of internal control includes regular compliance audits and reviews, by the Company's Business Assurance department, to help provide such assurance.

Risk management and internal control

Camelot's risk management framework assists management to identify, assess and manage business risk. To ensure all areas of the Company have a firm understanding of risk, the Business Assurance team lead risk workshops to seek input from Board directors and other managers on perceived risks. This enables risks to be prioritised with action plans to mitigate them. Camelot's directors acknowledge that they are responsible for the Company's systems of internal control and for reviewing their effectiveness. Within Camelot the review of risk and internal controls has become an integrated, embedded management process rather than an isolated year-end exercise, and is designed to support management's decision making. Camelot operates under a system of controls which are communicated through various processes, including, but not limited to:

1. a process to ensure tight regulation by a structured, auditable process of internal control, through the establishment of the Audit, Risk & Security Committee. At the Board meeting following an Audit, Risk & Security Committee meeting, the Chairman of the Committee presents key risks to the Board and the Board considers how these risks are being controlled and monitored;
2. to add value to the process at all operational levels throughout the company, the establishment of the Risk Management Committee, which meets quarterly. It provides a forum for sharing strategic decisions that could impact risk management, and for improving the overall company control environment;
3. the establishment of a practical process, which identifies, evaluates and manages all types of risk faced by the Company. This process has been in place for the full financial year and up to the date the financial statements were approved and is continuing. The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's strategic objectives. It should be recognised that such systems can only provide reasonable and not absolute assurance against material misstatement or loss; and
4. the establishment of a risk department, managed by the Head of Business Assurance, reporting to the Audit, Risk and Security Committee. The Head of Business Assurance assists management to identify the risks inherent in the Company's achievement of its strategic objectives. Each identified risk is logged in a risk register and assessed for financial impact and the estimated likelihood of occurrence. The Audit, Risk & Security

Committee receives a full report from the Head of Business Assurance at each of its meetings and examines key risks, changes to the register since the last Committee meeting, and risks removed since the commencement of the Licence.

Security is clearly a key consideration for Camelot and is demonstrated by the rigorous application of security procedures throughout the organisation. The Board is regularly apprised of security issues within the Company through the relevant section of the Audit, Risk & Security Committee.

The high level of risk awareness in Camelot, together with risk reporting to the Board, allows the Board to ensure that focused steps are taken to address risk exposures.

Having reviewed its effectiveness, the directors are not aware of any significant weakness or deficiency in the Company's system of internal controls during the period covered by this report and accounts. There were no changes in the Company's internal control over financial reporting that occurred during the year ended 31 March 2004 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

At the same time as formal compliance is important, the Board is aware that its Board of directors comprises, amongst others, a representative of each of its five shareholders. The Board is accountable to its shareholders for the running of the Company and aspires to high standards of Corporate Governance. In addition, the Company operates under a highly regulated regime administered by the National Lottery Commission and it therefore must adhere to high standards of Governance to meet stringent regulatory commitments. The Board recognises that although Camelot is a non-listed Company with private shareholders, it has a strong public interest and as such, should report in line with best practice, unless best practice recommendations are clearly inappropriate.

The Company has applied the principles set out in Section 1 of the Code. The Company is not required to comply with the New Code until its financial year ending in March 2005, but the Company has already taken steps towards compliance and, so far as is practicable, will be moving towards full compliance over the 2004/2005 financial year.

Camelot has complied with Section 1 of the Code with the following exceptions:

- not all the members of the Remuneration Committee are considered to be independent, although they are all non-executive directors;
- not all the members of the Audit, Risk & Security Committee are considered to be independent, although they are all non-executive directors;
- Camelot's executive directors are not subject to re-election every three years and are employed under employment contracts with a one year notice period. Its independent non-executive directors are appointed on three-year terms. The Company is governed by the terms of a Shareholders' Agreement which sets out the procedure for appointing directors, including shareholder nominated directors;
- In the year under review, the Board comprised 11 directors. Of these, three executive directors and five non-executive directors (nominated by the shareholders) were not deemed independent. The Chairman was non-executive, and there were two independent non-executive directors. The Company has since selected a further independent non-executive director.

The exceptions are not viewed by the Board to impact the quality of Corporate Governance, and arise from the unique nature of the Company.

With regards to the provisions of the New Code, the Board will be considering the identification of a senior independent director and performance evaluation as part of a further review of Corporate Governance.

The Remuneration Committee

The Remuneration Committee consists exclusively of non-executive directors and is currently chaired by an independent non-executive director, Louise Botting. The committee is guided by the views of the Chief Executive, who is invited to attend remuneration committee meetings, in determining the remuneration for other executive directors of the Company. The Chief Executive does not attend any meetings of the committee at which her own remuneration is discussed. Further details of the Remuneration Committee are set out in the corporate governance statement on page 19.

Remuneration policy

The group's remuneration policy is designed to attract, retain and motivate key senior executives with the relevant skills to achieve the Company's business objectives and to align their interests with those of shareholders by recognising and rewarding good performance. Executive remuneration includes a performance related annual bonus which is capped at 25% of annual base salary. This is based on budgeted returns to the National Lottery Distribution Fund, profit and personal objectives.
From 1 April 2004 the parameters of the bonus scheme have been amended to focus on two key company performance criteria; sales and profitability. The committee aims to ensure that the remuneration packages for executive directors are competitive with other companies of similar size, activities and complexity. It reviews the total remuneration package and the balance of its various elements regularly. The Committee also reviews the total remuneration package for the Chairman.

In determining the appropriate levels of remuneration for executive directors, the committee takes independent advice from Watson Wyatt and Mercer Human Resource Consulting. The use of external consultants and the choice of consultant is a matter reserved for the committee. Mercer Human Resource Consulting provided pension administration and company-wide remuneration advice to Camelot throughout the financial year.

The remuneration package for executive directors incorporates a competitive basic salary, a performance related annual bonus, a long-term incentive plan, pension and other benefits. The Remuneration Committee determines executive directors' packages, and that of the Chairman, for recommendation to the Board as a whole. The Committee also monitors the level and structure of remuneration for senior management.

The shareholders determine the remuneration for the independent non-executive directors. The Board ratifies the packages. The Chairman of the Company maintains regular contact as necessary with its shareholders on remuneration matters.

Shareholder nominated directors do not receive any remuneration in respect of qualifying services to the Company.

In assessing whether the executive directors have met their performance conditions, in relation to the annual bonus scheme and long-term incentive plan, reports are made to the remuneration committee in respect of directors' achievements against their personal business objectives. In respect of the achievement of the Chief Executive, reports are prepared and presented by the Chairman; in respect of the other executive directors, reports are prepared and presented by the Chief Executive. Personal business objectives are set annually following approval of the Company's operating plan and budget by the Board. The Chairman sets the personal business objectives of the Chief Executive; those of other executive directors are set by the Chief Executive. Going forward, changes have been made to the annual bonus scheme parameters and LTIP. The Remuneration Committee has agreed, for the bonus scheme commencing 1 April 2004, that the bonus should be focused on two key company performance criteria, sales and profitability.

Policy on external appointments

The Company recognises the benefits to the individual and to the Company of involvement by executive directors of the Company, as non-executive directors of other companies and charitable and trade associations. The Board is always notified of such appointments.

The targeted composition of each director's remuneration is as follows

	Non-performance related	Performance related
Chairman		
Michael Grade	100%	–
Executive directors		
Dianne Thompson	80%	20%
Tony Jones	80%	20%
Phil Smith	80%	20%
Non-executive directors		
Gerry Acher	100%	–
Louise Botting	100%	–
Matthew Taylor (resigned 03.09.03)	100%	–

Directors' service contracts

The details of the service contracts of those who served as directors during the year are

	Contract date	Unexpired term	Notice	Contractual termination payments
Chairman				
Michael Grade	31.01.02	10 months	Reasonable notice	–
Executive directors				
Dianne Thompson	03.02.97	N/A	1 year	N/A
Tony Jones	11.01.99	N/A	1 year	N/A
Phil Smith	14.01.02	N/A	1 year	N/A
Non-executive directors				
Gerry Acher	11.09.02	1 year 5 months	–	–
Louise Botting	01.03.02	11 months	–	–
Matthew Taylor (resigned 03.09.03)	11.09.02	N/A	–	–

No executive directors are employed on service contracts with notice periods longer than 12 months. Contractually, none of the executive directors is entitled to other termination benefits.

Currently, there is no policy in respect of notice periods and termination payments for non-executive directors who are engaged under contracts of service.

Directors'
Remuneration
Report
2004

Directors' detailed emoluments

	Basic Salary £'000	Annual bonuses £'000	Benefits in kind £'000	Pension Supplement £'000	**2004 Total £'000**	**2004 Pension Contributions[1] £'000**	**2004 Grand Total[2] £'000**	2003 Grand Total[2] £'000
Chairman								
Michael Grade	100	–	75	–	**175**	–	**175**	169
Executive directors								
Dianne Thompson	375	85	17	98	**575**	**33**	**608**	526
David Clark (resigned 03.02.03)	–	–	–	–	–	–	–	270
Tony Jones	223	51	19	48	**341**	**14**	**355**	296
Sue Slipman (resigned 18.10.02)	–	–	–	–	–	–	–	393
Phil Smith	235	52	15	53	**355**	**11**	**366**	313
Independent Non-executive directors								
Sir James Butler (resigned 30.11.02)	–	–	–	–	–	–	–	26
Louise Botting	35	–	–	–	**35**	–	**35**	35
Matthew Taylor (resigned 03.09.03)	13	–	–	–	**13**	–	**13**	17
Gerry Acher (appointed 11.09.02)	39	–	–	–	**39**	–	**39**	20
	1,020	188	126	199	**1,533**	**58**	**1,591**	2,065

[1] Contributions to company Money Purchase Schemes.
[2] *Grand Total including Company contributions to Money Purchase Schemes.*

The total emoluments of the directors including pension contributions were as follows

	2004 £'000	2003 £'000
Executive directors' salaries and benefits	**1,083**	1,584
Executive directors' performance related payments	**188**	102
Non-executive directors' fees	**87**	98
Chairman's salary and benefits	**175**	169
Pension contributions	**58**	112
	1,591	2,065

Dianne Thompson, Chief Executive, is currently a non-executive director of RAC plc for which she receives, and retains, an annual fee of £28,500. (2003: £26,500)

The former Chairman, Sir George Russell, may receive an additional pension contribution for the next three years at a rate to be determined by the Board. The additional pension contribution for 2004/05 will be £80,000 (2003/04: £80,000).

Directors' remuneration

The emoluments of the executive directors are determined by a Remuneration Committee consisting exclusively of non-executive directors. The five non-executive directors (and their alternates) nominated by the shareholder companies did not receive any emoluments in respect of their services to Camelot. The emoluments of the other non-executive directors are determined by the shareholder companies. All emoluments are paid to the directors out of the amount retained by Camelot under the terms of the Section 5 Licence after paying all prizes, duties and contributions to the National Lottery Distribution Fund.

Annual bonus

The executive directors are eligible for annual bonuses if budgeted returns to the National Lottery Distribution Fund and profits to Camelot are met as well as personal objectives. These bonuses are capped at 25% of annual base salary. From 1 April 2004 the parameters of the scheme have been amended to focus on two key company performance criteria, sales and profitability.

Benefits in Kind

Executive directors are entitled to car related benefits which are included in the amounts disclosed in the above table. Michael Grade received £75,000 (2003: £68,750) included as a benefit in the above table, as a payment to a funded unapproved retirement benefits scheme.

Pension supplements

Tony Jones' and Phil Smith's benefits include supplements of £47,623 and £52,875 respectively, representing the differences between 27.5% of their basic salary pension entitlement and the contributions made by the Company. Dianne Thompson was also entitled to a supplement, amounting to the difference between her pension entitlement of 35.0% of basic salary and the lower contributions made by the Company. This amount of £98,625 is included in the table opposite.

All-employee long-term incentive plan

Each executive director participates in the Camelot all-employee long-term incentive plan (LTIP). The plan is a deferred cash scheme and all Camelot employees, including directors, are eligible to participate in the scheme on the same basis and at the same level of reward.

The LTIP pays out to all employees based on performance of the Company (achievement of National Lottery Distribution Fund target payments and Company profit targets) as well as the performance of the individual (achievement of personal business objectives).

The LTIP was introduced in 2002 as a scheme in which an individual accrues entitlement to a bonus amount in scheme years one, two and three (years ended 31 March 2003, 2004 and 2005). This was originally due to be paid out the following September (i.e. 18 months after the end of each scheme year) provided the individual is still in employment three months prior to the payment date. The LTIP was originally conceived as a three-year scheme. The Board has since decided that the scheme should be terminated early. As a result the scheme will not run for the final year i.e. any payment due in September 2006, based on Company and individual performance for the year ending 31 March 2005, will not be made. In recognition of this early termination, payments for scheme years one and two will be brought forward from September 2004 and September 2005 to April 2004 and April 2005 respectively.

The payments awarded under the scheme can be up to a maximum of 35% of base salary at each payment date as shown page 26.

Calculation	
i) Annual Bonus element	Up to 25% of basic salary
ii) Personal Objectives element	Up to 10% of basic salary
Total	**Up to 35% of basic salary**

Annual bonus element: Reflects the same level of annual bonus awarded in a scheme year, for example, if employees are awarded a 15% annual bonus for a scheme year, there is a 15% corresponding award to the long-term incentive plan.

Personal objectives element: If employees have achieved their personal business objectives in a scheme year, they will be awarded up to 10% of basic salary as part of the long-term incentive plan.

The annual bonus is based on performance of the Company (achievement of National Lottery Distribution Fund target payments and Company profit targets) as well as the performance of the individual (achievement of personal business objectives) which has a maximum payout of 25% of basic salary.

Directors' interests in the long-term incentive plan

The executive directors have qualified for the following LTIP amounts in the first and second scheme years

	Interest in Scheme at 1 April 2003	Amounts Qualified *(% of base salary)	Amounts Vested	Interest in Scheme at 31 March 2004	Entitlement falls due
Executive Directors					
Dianne Thompson					
Scheme Year 1	19%	–	Nil	19%	16 April 2004
Scheme Year 2	Nil	31%	Nil	31%	16 April 2005
Tony Jones					
Scheme Year 1	20%	–	Nil	20%	16 April 2004
Scheme Year 2	Nil	31%	Nil	31%	16 April 2005
Phil Smith					
Scheme Year 1	19%	–	Nil	19%	16 April 2004
Scheme Year 2	Nil	31%	Nil	31%	16 April 2005

* Being up to 21% for the annual bonus for scheme year two, and up to 10% for meeting personal business objectives. The percentage is applied to base salary at the payment date, i.e. 21 April 2005.

Chairman and highest-paid director
The emoluments of Michael Grade, the Chairman for the year, comprise his salary of £100,000 (2003: £100,000). Michael Grade's accrued pension contributions within the year amounted to £75,000 (2003: £68,875).

The emoluments of the Chief Executive Dianne Thompson, who was the highest-paid director, comprise salary of £375,000 (2003: £350,000), Company pension contributions of £32,625 (2003: £30,450), benefits of £16,739 (2003: £17,450), pension supplement of £98,625 (2003: £92,050) and total bonuses of £85,050 (2003: £36,563).

Waiver of emoluments
No director waived any emoluments for the year ended 31 March 2004.

Members of the Remuneration Committee
For details, see page 19.

Shareholder return
Schedule 7A requires the disclosure of total shareholder return over the last five years, compared to similar groups or indices. Camelot is not a listed or quoted company and its shares are not traded on any financial exchange and accordingly this information is not presented. The directors have no interest in the shares of the Company.

On behalf of the Board
Gill Marcus
Company Secretary
25 May 2004

Independent Auditors' report 2004

We have audited the financial statements, which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. We have also audited the disclosures required by Part 3 of Schedule 7A to the Companies Act 1985 contained in the directors' remuneration report ("the auditable part").

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities. The directors are also responsible for preparing the directors' remuneration report.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report, the unaudited part of the directors' remuneration report and the Corporate Governance statement.

We also, at the request of the directors (because the company applies the Financial Services Authority listing rules as if it were a listed company), review whether the Corporate Governance statement reflects the Company's compliance with the seven provisions of the Combined Code specified by the Financial Services Authority for review by auditors of listed companies, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or to form an opinion on the effectiveness of the Company's Corporate Governance procedures or its risk and control procedures.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the Company's affairs at 31 March 2004 and of its profit and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- those parts of the directors remuneration report required by Part 3 of Schedule 7A to the Companies Act 1985 have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
and Registered Auditors
London
25 May 2004

Profit and loss account for the year ended 31 March 2004

	Notes	2004 Total £m	2003 Total £m
Lotto		**3,225.0**	3,387.1
Other Draw-based Games		**748.6**	609.7
Scratchcards and Interactive Instant Win Games		**641.0**	577.7
Gross ticket sales		**4,614.6**	4,574.5
Lottery duty		**(553.8)**	(548.9)
Revenue	1c	**4,060.8**	4,025.6
Cost of sales			
Prizes		**(2,293.7)**	(2,238.1)
National Lottery Distribution Fund		**(1,216.2)**	(1,257.7)
Retailers' commission		**(242.0)**	(241.1)
Terminal and data communication costs		**(100.9)**	(101.1)
Gross profit		**208.0**	187.6
Administrative expenses		**(163.6)**	(148.0)
Other operating income		**1.0**	1.1
Operating profit	2	**45.4**	40.7
Net interest receivable	4	**0.1**	1.6
Profit on ordinary activities before taxation		**45.5**	42.3
Tax on profit on ordinary activities	5a	**(14.1)**	(13.1)
Profit on ordinary activities after taxation		**31.4**	29.2
Dividends	6	**(31.4)**	(29.2)
Profit retained for the financial year	17	**–**	–

The Company has no other recognised gains or losses.
All activities are derived from continuing operations.

Balance sheet as at 31 March 2004

	Notes	2004 £m	2003 £m
Fixed assets			
Investments	7	**0.1**	–
Tangible assets	8	**117.0**	119.6
		117.1	119.6
Current assets			
Stocks	9	**2.7**	2.9
Debtors: amounts falling due within one year	10	**41.2**	38.3
Debtors: amounts falling due after more than one year	10	**23.3**	17.7
Amounts held in trust accounts in respect of prizes	12a	**103.0**	93.4
Amounts held in trust in respect of future draws	12b	**22.5**	21.0
Amounts held in New Media Trust account	12c	**1.6**	–
Trust reserve accounts	12d	**21.5**	20.2
Cash at bank and in hand	12e	**0.3**	49.5
		216.1	243.0
Current liabilities			
Creditors: amounts falling due within one year	14	**(264.5)**	(294.2)
Net current liabilities		**(48.4)**	(51.2)
Total assets less current liabilities		**68.7**	68.4
Creditors: amounts falling due after more than one year	14	**(16.0)**	(14.3)
Provision for liabilities and charges	15	**(2.7)**	(4.1)
Net assets		**50.0**	50.0
Capital and reserves			
Called up share capital	16	**38.8**	38.8
Capital redemption reserve	17	**11.2**	11.2
Profit and loss account	17	**–**	–
Equity shareholders' funds	18	**50.0**	50.0

The financial statements on pages 30 to 47 were approved by the Board of directors on 25 May 2004 and were signed on its behalf by:

Dianne Thompson

Dianne Thompson
Chief Executive
25 May 2004

Tony Jones
Operations Director
25 May 2004

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Cash flow statement for the year ended 31 March 2004

	Notes	2004 £m	2003 £m
Net cash inflow from operating activities	13a	**32.8**	73.3
Returns on investments and servicing of finance			
Interest received		**1.5**	3.5
Interest paid		**(1.1)**	(0.2)
Interest element of finance lease payments		**(0.3)**	(0.3)
		0.1	3.0
Taxation			
Taxation (paid)/received		**(4.5)**	12.0
Consortium relief payments	24	**(12.6)**	(10.5)
		(17.1)	1.5
Capital expenditure			
Purchase of tangible fixed assets		**(23.6)**	(41.1)
Acquisitions and Disposals			
Payments to acquire investment in Joint Venture		**(0.1)**	–
Equity dividends paid		**(35.6)**	(37.8)
Management of liquid resources			
Decrease in term deposits	13b	**10.0**	36.8
Financing			
Increase in loans		**4.4**	–
Capital element of finance lease payments		**(0.6)**	(0.7)
		3.8	(0.7)
(Decrease)/increase in cash	13c,d	**(29.7)**	35.0

Notes to the Financial Statements for the year ended 31 March 2004

1. Accounting policies

a) Basis of accounting
The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards.

A summary of the more important accounting policies is set out below together with an explanation of where changes have been made to previous policies on the adoption of new accounting standards in the year.

The directors have reviewed the accounting policies set out in these financial statements and have confirmed that they are the most appropriate to the company's circumstances as required by FRS18 – Accounting Policies.

b) Group financial statements
The financial statements presented are for Camelot Group plc only. Camelot Group plc has three 100% equity owned subsidiaries and a 33.3% stake in a Joint Venture. The subsidiaries have not been consolidated as they are dormant and are not material for the purposes of giving a true and fair view. The investment in the joint venture has not been equity accounted as it is not material and has been recorded at historic cost.

c) Revenue
Draw-based games comprises Lotto and a portfolio of other draw-based games where revenue is recognised on a draw-by-draw basis. Where a financial year end does not fall on a draw date, the sales for the next draw are recognised up to the financial year end date. Sales for each draw include multidraw and subscription sales that are relevant for that specific draw as well as sales earned via interactive channels. The following games are included within other draw-based games revenue:

Lotto Extra
Lotto HotPicks
Thunderball
Christmas Millionaire Maker
Daily Play
EuroMillions

Scratchcards ticket revenue is recognised by pack settlement. A pack of scratchcard tickets becomes settled on the earlier of 30 days after the pack is activated by the retailer or when 60% of the low-tier prizes are validated.

Interactive Instant Win Games revenue is derived from wagers placed on the Camelot website launched on 25 February 2003 and is recognised at the date of purchase.

All revenue is derived from and originates in the United Kingdom.

As a result of Application Note G to FRS 5, which became effective for all accounting periods ending on or after 23 December 2003, revenue is now disclosed net of Lottery Duty.

d) Taxation
The charge for taxation is based on the profit for the year. Deferred taxation is recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

e) Value added tax
All costs include the attributable value added tax to the extent that it is not recoverable.

f) Fixed assets and depreciation

Fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets, at such rates as to write off the cost of these assets in equal instalments either over their expected useful lives or the remaining Section 5 Licence period ending 31 January 2009 whichever period being the shorter. Exceptions to this policy are noted alongside the principal asset categories below.
The depreciation basis for the principal asset categories are as follows:

Short leasehold improvements
The shorter of the lease period and the remaining Section 5 Licence period.

Computer hardware (excluding central gaming systems and interactive hardware)
The shorter of four years and the remaining Section 5 Licence period.

Central gaming systems
To the end of the second Section 5 Licence period.

Fixtures and fittings
The shorter of five years and the remaining Section 5 Licence period.

Lottery terminals
To the end of the second Section 5 Licence period.

Permanent point-of-sale equipment
The shorter of three years and the remaining Section 5 Licence period.

Other plant and equipment
The shorter of two to five years and the remaining Section 5 Licence period.

Motor vehicles
The shorter of the lease period and the remaining Section 5 Licence period.

Interactive hardware and software
To the end of the second Section 5 Licence period.

Interactive development costs
The company has adopted UITF abstract 29 'Website development costs'. Accordingly, costs relating to the development of The National Lottery website, including design and content development, have been capitalised and transferred from 'Assets under construction' to Plant and Machinery, within tangible assets. These costs will be amortised over the period gaining economic benefit from the expenditure. Planning costs are charged to the profit and loss account as incurred. Interactive development costs that relate to channels other than the website are also capitalised on the same basis.

g) Leasing

Operating lease rentals are charged to the profit and loss account as incurred. Tangible fixed assets acquired under finance leases are included in the balance sheet at their equivalent capital value and are depreciated over the shorter of the lease term and their useful life. The corresponding liabilities are recorded as a creditor and the interest element of the finance lease rentals is charged to the profit and loss account.

h) Stocks
Stocks consist of scratchcards, consumables (i.e. terminal rolls, play slips and ribbons) and various point of sale equipment. Scratchcards are carried on a unit cost basis and are despatched to retailers based on marketing strategy.

Consumables and point-of-sale equipment are valued at cost using the first-in first-out method, or at net realisable value, whichever is lower.

i) Pensions
The Company operates a defined contribution scheme. The cost of contributions is charged to the profit and loss account in the year to which it relates.

j) Cash and liquid resources
In the cash flow statement, cash comprises cash at bank and in hand, overdrafts and overnight term deposits. Liquid resources comprise term deposits maturing within 12 months from inception, other than overnight term deposits.

Camelot interest earning cash for the first Section 5 Licence consisted of the Trust Reserve account, other trust accounts (including the Subscription Trust account), Camelot bank accounts and short-term deposits. From the commencement of the second Section 5 Licence, the Subscription Trust account is no longer classified as Camelot cash. Interest earned on the Subscription Trust Account is split 5% to Camelot and the remaining 95% for the benefit of the National Lottery Distribution Fund.

Interest received on the Operational Trust, Equalisation Trust, EuroMillions Trust and New Media Trust accounts are for the benefit of the National Lottery Distribution Fund.

k) Advertising and marketing costs
Advertising and marketing costs are charged to the profit and loss account when they are incurred and in accordance with the Section 5 Licence requirements.

l) Provisions
The dilapidation provision is the current best estimate of the cost of bringing certain premises, held under operating lease, back to their original state.

The vacant property provision is in respect of future rental and service charges of certain premises, held under operating leases, which were vacated during the year ended 31 March 2003.

The decommissioning provision is the current best estimate of the cost of making good certain retailer sites following the removal of network equipment (e.g. satellites and nodes) located on their premises.

The terminal provision comprises amounts in respect of lost or destroyed terminals and associated contractual costs.

2. Operating profit	2004 £m	2003 £m
Operating profit is stated after charging/(crediting):		
Depreciation on owned assets	**25.2**	13.8
Depreciation on assets held under finance leases	**0.6**	0.7
Net movement in provisions	**(1.4)**	2.7
Employee costs (note 3)	**49.2**	41.8
Operating lease rentals – land and buildings	**2.6**	2.7
– plant and equipment	**17.2**	0.8
Auditors' remuneration – audit	**0.1**	0.1
– prize draw attendance	**0.5**	0.4
– other services	**0.5**	0.3

3. Employee numbers and costs	2004 £m	2003 £m
Employee costs (including directors' emoluments):		
Wages and salaries	**42.2**	36.7
Social security costs	**5.1**	3.4
Pension costs	**1.9**	1.7
	49.2	41.8

	2004 Number	2003 Number
The average monthly number of employees (including executive directors) employed by Camelot Group plc was as follows:		
Retailer services	**257**	326
Sales and marketing	**226**	219
Information technology	**199**	169
Finance, administration and other	**220**	220
Total average number of employees	**902**	934

4. Net interest receivable	2004 £m	2003 £m
Interest receivable from bank deposits	**1.1**	1.9
Other interest receivable	**0.4**	0.4
Interest receivable and similar income	**1.5**	2.3
Interest payable on finance leases	**(0.3)**	(0.3)
Other interest payable	**(1.1)**	(0.4)
Interest payable and similar charges	**(1.4)**	(0.7)
Net interest receivable	**0.1**	1.6

5. Tax on profit on ordinary activities	**2004 £m**	2003 £m
a) UK Corporation Tax:		
Current tax on income for the period	**14.8**	9.9
Prior period adjustments	**(0.4)**	(0.4)
	14.4	9.5
Deferred tax (credit)/charge for the period	**(0.5)**	3.3
Prior period adjustments	**0.2**	0.3
	(0.3)	3.6
Tax on profit on ordinary activities	**14.1**	13.1

The tax charge is based on a corporation tax rate of 30% for the year ended 31 March 2004 (2003: 30%).
All timing differences have been recognised and are reflected in the deferred tax balance.

b) Deferred taxation - profit and loss (credit)/charge	**2004 £m**	2003 £m
Timing differences between capital allowances and depreciation	**2.2**	5.5
Other timing differences	**(2.5)**	(1.9)
Deferred taxation (credit)/charge	**(0.3)**	3.6

There was no deferred tax unprovided.

c) Reconciliation of current tax charge	**2004 £m**	2003 £m
Profit on ordinary activities before taxation	**45.5**	42.3
Tax on profit on ordinary activities at the standard rate (30%)	**13.6**	12.7
Factors affecting charge:		
Depreciation on assets not qualifying for capital allowances and other non-allowable items	**0.7**	0.5
Excess of capital allowances claimed over depreciation	**(2.0)**	(5.1)
Provisions and other short-term timing differences	**2.5**	1.8
Prior year adjustments	**(0.4)**	(0.4)
Current tax charge	**14.4**	9.5

6. Dividends	**2004 £m**	2003 £m
First interim dividend paid for aggregate ordinary class 'A' and 'B' shares	**18.6**	12.2
Proposed final dividend for aggregate ordinary class 'A' and 'B' shares	**12.8**	*17.0*
	31.4	29.2

Under a deed of dividend waiver Royal Mail Enterprises Limited irrevocably waived their entitlement to receive the sum of £0.3m from the proposed final dividend for the financial year ended 31 March 2004. Fujitsu Services Limited waived their entitlement to receive their share of this amount and as a result De La Rue Holdings plc, Thales Electronics plc and Cadbury Schweppes plc will each receive an additional £0.1m.

Furthermore Royal Mail Enterprises Limited entered into a deed of dividend waiver which irrevocably waived their entitlement to receive the sum of £28,800 from the proposed final dividend for the financial year ended 31 March 2004. As a result De La Rue Holdings plc, Thales Electronics plc, Cadbury Schweppes plc and Fujitsu Services Limited will each receive an additional £7,200 each.

7. Investments	**2004 £m**	2003 £m
Investments in Joint Ventures	**0.1**	–
	0.1	–

Camelot acquired 33.3% of Services aux Loteries en Europe SCRL ('SLE'), a company incorporated in Belgium on 2 June 2003. The main purpose of SLE is to provide services to lotteries in Europe who participate in the EuroMillions game.

8. Tangible assets

	Assets under construction £m	Short leasehold improvements £m	Plant and equipment £m	Total £m
Cost				
At 1 April 2003	4.4	8.0	162.4	174.8
Additions	11.7	–	11.6	23.3
Transfer to plant and equipment	(10.9)	–	10.9	–
Disposals	–	–	(0.2)	(0.2)
At 31 March 2004	5.2	8.0	184.7	197.9
Accumulated depreciation				
At 1 April 2003	–	8.0	47.2	55.2
Charge for the period	–	–	25.8	25.8
Disposals	–	–	(0.1)	(0.1)
At 31 March 2004	–	8.0	72.9	80.9
Net book value				
At 31 March 2004	**5.2**	**–**	**111.8**	**117.0**
At 31 March 2003	4.4	–	115.2	119.6

The net book value of plant and equipment held under finance leases is £2.2m (2003: £2.8m). Depreciation charged in the period in respect of these assets was £0.6m (2003: £0.7m). The net movement of £0.1m in disposals relates to the expiry of certain finance leases (note 13d).

Additions of £23.3m in the period relate primarily to new central IT systems and assets under construction; website development and other interactive channel development (see accounting policies note 1f).

9. Stocks	2004 £m	2003 £m
Scratchcard tickets	**1.6**	1.4
Playslips, terminal rolls and other consumables	**1.1**	1.5
	2.7	2.9

10. Debtors: amounts falling due within one year	2004 £m	2003 £m
Trade debtors	**19.8**	21.4
Deferred tax (note 11)	**1.2**	–
Pre-payments and accrued income	**20.2**	16.9
	41.2	38.3

Trade debtors primarily represent amounts due from retailers.

Debtors: amounts falling due after more than one year	2004 £m	2003 £m
Other debtors and prepayments	**21.9**	15.4
Deferred tax (note 11)	**1.4**	2.3
	23.3	17.7

Other debtors and prepayments predominantly relate to amounts paid in advance with respect to operating leases for plant and machinery.

11. Deferred taxation asset	Capital allowances £m	Other £m	Total £m
At 1 April 2003	(0.2)	2.5	2.3
(Charge)/credit to the profit & loss account (note 5b)	(2.2)	2.5	0.3
At 31 March 2004	**(2.4)**	**5.0**	**2.6**

12. Trust accounts and cash at bank and in hand

In order to protect the interests of prizewinners and players, Camelot has established trust accounts operated by an independent trustee, The Law Debenture Trust Corporation plc. There are a number of trust accounts operated in order to separate funds to be paid for prizes, amounts received from players in respect of future draws and amounts held in players' interactive accounts from Camelot's own funds.

a. Amounts held in trust in respect of prizes

Operational Trust

Prizes payable in respect of sales made are placed into the Operational Trust account and Camelot is reimbursed retrospectively from this account as prizes are paid. The balance of any interest arising on this account (after expenses of the trust) is for the benefit of The National Lottery Distribution Fund. The amount recoverable from the Operational Trust account of £93.6m (2003: £85.0m) is shown as a current asset.

Equalisation Trust
Following the launch of Lotto HotPicks the Equalisation Trust account was established. The purpose of this account is to ensure that sufficient monies are available to pay players in the event prizes exceed the theoretical prize amount up to the maximum payout, as stipulated within the Games Rules, for any individual draw. All interest income arising on this account is for the benefit of the National Lottery Distribution Fund and any monies remaining in this account will pass over to the National Lottery Distribution Fund at the end of the current Section 5 Licence. The balance on this account is also shown as a current asset.

EuroMillions Trust
Camelot and the other participating lotteries have established a EuroMillions Trust. This is used for the settlement of all amounts due and for holding amounts in respect of future prizes. The interest on the EuroMillions Trust is for the benefit of the National Lottery Distribution Fund. At the end of the current Section 5 Licence if Camelot is not the new licence-holder, any monies remaining in this account will pass over to a successor or, in the event that no successor is appointed, to the National Lottery Distribution Fund.

Amounts held in trust accounts in respect of prizes	2004 £m	2003 £m
Operational Trust	**93.6**	85.0
Equalisation Trust	**5.4**	8.4
EuroMillions Trust	**4.0**	–
	103.0	93.4

b. Amounts held in trust in respect of future draws
The Subscription Trust account is maintained to safeguard monies received from players in respect of future draws, whether by subscription or by using the multidraw facility. Interest earned from the Subscription Trust account after in the current licence period is split 5% to Camelot and the remaining 95% for the benefit of the National Lottery Distribution Fund.

	2004 £m	2003 £m
Subscription Trust	**22.5**	21.0

c. New Media Trust account
The New Media Trust account balance at 31 March 2004 is £1.6m (2003: £nil). Players who register for Camelot's interactive service have an online wallet into which they deposit funds which they may then utilise to place wagers. All low-tier prizes are paid directly into the player's wallet. Players may withdraw funds from their wallet. The New Media Trust account represents the aggregate of all players' wallet balances at the balance sheet date.

d. Trust Reserve accounts
The purpose of the Trust Reserve is to provide additional security for prizes during and at the end of the Section 5 Licence period, this amount (or the relevant part) will be repayable to Camelot in accordance with the Trust Deed. The amount is entirely recoverable after one year.

Also, during the year, Camelot set up the EuroMillions Deposit of £6.3m, and as a result has decreased the Trust Reserve by £5.0m. The EuroMillions Deposit provides security to other EuroMillions participants for Camelot's EuroMillions prize payment obligations.

Trust Reserve accounts	2004 £m	2003 £m
Trust Reserve	**15.2**	20.2
EuroMillions Deposit	**6.3**	–
	21.5	20.2

e. Cash at bank and in hand

Cash at bank and in hand comprise Camelot bank accounts and short-term deposits and certain other trust accounts. From time to time, guaranteed jackpot prizes (e.g. Superdraws) are also held in trust until the relevant draw is held and the actual prize liability established.

In the case of subscription and multidraw sales, Camelot is reimbursed after the draw to which the funds relate has taken place.

The trust accounts and interest received thereon are subject to first fixed and floating charges in favour of the trustee.

Fixed and floating charges have been given in respect of certain Camelot assets to the trustee and to Camelot's bankers, The Royal Bank of Scotland plc.

Camelot's cash balances can be analysed as follows:

Cash at bank and in hand	**2004 £m**	2003 £m
Camelot bank accounts	**0.3**	39.5
Short-term deposits	**–**	10.0
	0.3	49.5

13. Notes to the cash flow statement

a. Reconciliation of operating profit to net cash inflow from Operating activities	**2004 £m**	2003 £m
Operating profit	**45.4**	40.7
Depreciation	**25.8**	14.5
Movement in working capital		
Decrease/(increase) in stocks	**0.2**	(0.1)
(Increase)/decrease in debtors	**(8.2)**	17.6
(Increase)/decrease in amount held in trusts in respect of prizes	**(9.6)**	28.8
(Increase) in New Media Trust accounts	**(1.6)**	–
(Increase) in amount held in Trust Reserve accounts	**(1.3)**	–
(Increase)/decrease in amounts held in Subscription Trust in respect of future sales	**(1.5)**	0.8
(Decrease) in creditors	**(16.4)**	(29.0)
Net cash inflow from operating activities	**32.8**	73.3

b. Analysis of changes in cash and liquid resources during the year

Cash	**2004 £m**	2003 £m
At 1 April	**39.5**	(2.0)
(Decrease)/increase in year	**(39.2)**	41.5
At 31 March	**0.3**	39.5
Liquid resources		
At 1 April	**10.0**	46.8
Decrease in year	**(10.0)**	(36.8)
At 31 March	**–**	10.0
Total cash at bank and in hand	**0.3**	49.5

c. Analysis of net funds	At 1 April 2003 £m	Cash flow £m	**At 31 March 2004 £m**
Cash at bank and in hand	39.5	(39.2)	**0.3**
Overdrafts	(10.2)	9.5	**(0.7)**
		(29.7)	
Finance leases	(2.8)	0.6	**(2.2)**
Loans	–	(4.4)	**(4.4)**
Liquid resources	10.0	(10.0)	–
Net Funds	36.5	(43.5)	**(7.0)**

d. Reconciliation of net cash flow to movement in net funds	**2004 £m**	2003 £m
(Decrease)/increase in cash in the year	**(29.7)**	35.0
Cash outflow from decrease in debt and lease financing	**0.6**	0.7
Cash inflow from decrease in liquid resources	**(10.0)**	(36.8)
Change in net funds resulting from cash flows	**(39.1)**	(1.1)
Expiry of existing finance leases	**0.1**	0.5
New finance leases	**(0.1)**	(1.4)
New loans	**(4.4)**	–
Movement in net funds in the year	**(43.5)**	(2.0)
Net funds at 1 April	**36.5**	38.5
Net (debt)/funds at 31 March	**(7.0)**	36.5

14. Creditors: amounts falling due within one year	**2004 £m**	2003 £m
Bank loans and overdrafts	**5.1**	10.2
Trade creditors	**24.2**	20.9
Obligations under finance leases	**0.7**	0.6
Fixed asset creditors	**1.2**	1.2
Corporation Tax	**7.4**	10.2
Lottery duty	**47.2**	51.9
Amounts payable to The National Lottery Distribution Fund	**9.7**	29.3
Prize liability	**97.1**	89.8
Equalisation liability	**4.3**	9.0
Accruals and deferred income	**30.0**	30.5
Advance receipts for future draws	**24.8**	23.6
Proposed dividends	**12.8**	17.0
	264.5	294.2

Advance receipts for future draws represent the multidraw and subscription payments relating to future draws. The prize liability represents unclaimed prizes and at 31 March 2004, Camelot had transferred into the Operational Trust £93.6m to meet these liabilities (2003: £85.0m).

Creditors: amounts falling due after more than one year	**2004 £m**	2003 £m
Obligations under finance leases payable within one to two years	**0.6**	0.7
Obligations under finance leases payable within two to five years	**0.9**	1.5
Accruals and deferred income due within one to two years	**10.4**	6.5
Accruals and deferred income due within two to five years	**4.1**	5.6
	16.0	14.3

At 31 March 2004 the company had bank facilities totaling £90.0m (2003: £90.0m). The Company had two undrawn revolving credit facilities totalling £60.0m (2003: £50.0m) both secured by a floating charge. The first £30.0m revolving credit facility commenced on 6 March 2001 and expires on 31 January 2005. The second £30.0m revolving credit facility commenced on 22 January 2004 and expires on 22 January 2007. There is an additional undrawn overdraft facility of £29.3m (2003: £19.8m) available to the Company. The overdraft facility is subject to annual renewal.

15. Provisions for liabilities and charges

	Dilapidations £m	Vacant Property £m	Decommissioning £m	Terminal £m	Other £m	Total £m
At 1 April 2003	1.5	1.4	0.6	0.5	0.1	4.1
Profit and loss charge	0.2	–	–	0.2	–	0.4
Provision utilised	–	(0.5)	(0.2)	(0.1)	(0.1)	(0.9)
Release of provision	(0.4)	(0.2)	(0.1)	(0.2)	–	(0.9)
At 31 March 2004	**1.3**	**0.7**	**0.3**	**0.4**	**–**	**2.7**

There were no potential deferred tax liabilities that had not been provided for at 31 March 2004 (2003: nil).

The dilapidation provision is the current best estimate of the cost of bringing certain premises, held under operating leases, back to their original state.

The vacant property provision is in respect of future rental and service charges of certain premises, held under operating leases, which were vacated during the year ended 31 March 2003.

The decommissioning provision is the current best estimate of the cost of making good certain retailer sites following the removal of network equipment (e.g. satellites and nodes) located on their premises.

The terminal provision comprises amounts in respect of lost or destroyed terminals and associated contractual costs.

16. Share capital

Authorised	**£m**
At 1 April 2003	
100,000,000 ordinary shares of £1 each, divided into	
'A' shares 29,062,500	29.1
'B' shares 70,937,500	70.9
At 31 March 2004	100.0

Allotted, called up and fully paid	**£m**
At 1 April 2003	
38,750,000 ordinary shares in issue of £1 each, divided into	
'A' shares 29,062,500	29.1
'B' shares 9,687,500	9.7
At 31 March 2004	38.8

Analysis of shareholding at 31 March 2004	Number of 'A' shares	Number of 'B' shares	Percentage Holding
Cadbury Schweppes plc	7,750,000	–	20
De La Rue Holdings plc	7,750,000	–	20
Fujitsu Services Limited	5,812,500	1,937,500	20
Royal Mail Enterprises Ltd	–	7,750,000	20
Thales Electronics plc	7,750,000	–	20
	29,062,500	9,687,500	100

Rights and Obligations
With regards to income:

(a) The holders of the 'A' shares shall be entitled as a class to the Relevant Profit for the First Licence Period and the period of the interim licence, defined as:

(i) the Company's profits available for distribution calculated in respect of all periods ending on or before the last day of the interim licence and determined by reference to interim accounts for the period ending on that day; and

(ii) any further amount referable to the period of the First Section 5 Licence and the period of the interim licence.

(b) and, subject to the above, income shall belong to and be distributed amongst the holders of all the 'A' and 'B' Ordinary Shares (pari passu as if the same constituted one class of share).

With regards to capital:

On a return of assets on liquidation, reduction of capital or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall be applied:

(a) first in paying to the holders of 'A' shares pro rata between them a sum equal to any arrears of dividend calculated by reference to the Relevant Profit for the First Licence Period and the period of the interim licence (as defined above);

(b) second, in paying to the holders of 'A' shares pro rata between them a sum equal to that amount of the Relevant Profit for the First Licence Period and the interim licence (as defined above) which has not already been distributed to them since the date of adoption of the articles of association of the Company;

(c) and, subject thereto, any arrears of dividend and the balance of such assets shall belong to and be distributed amongst the holders of all the 'A' and 'B' ordinary shares (pari passu as if the same constituted one class of share).

With regards to class consents:

Except with the prior consent or approval in writing of the holders of all of the relevant class of shares, the Company shall not modify or vary the rights attaching to any class of its shares (unless the modification or variation affects all classes of shares similarly).

With regards to voting and other rights:

In respect of voting and all other rights (other than as provided for in article 5A of the Company's articles of association) the respective classes of all the 'A' and 'B' ordinary shares shall be pari passu as if the holders of all the 'A' and 'B' ordinary shares constituted one class of share.

17. Reserves	Capital redemption reserve £m	Profit and loss account £m	Total £m
At 1 April 2003	11.2	–	11.2
Retained profit for the year	–	–	–
At 31 March 2004	**11.2**	–	**11.2**

18. *Reconciliation of movements in equity shareholders' funds*	**2004 £m**	2003 £m
Profit for the year	**31.4**	29.2
Dividends	**(31.4)**	(29.2)
Movement in equity shareholders' funds	–	–
Balance at 1 April	**50.0**	50.0
Balance at 31 March	**50.0**	50.0

19. ***Financial commitments***

Capital expenditure contracted for in the year but not yet incurred amounts to £1.5m (2003: £6.0m) and is all expected to be incurred within one year.

20. ***Contingent liabilities***

Fixed and floating charges have been given on certain assets to the trustee and to The Royal Bank of Scotland plc. See note 14 for details.

21. Operating leases	**2004 Land and Buildings £m**	**2004 Plant and Machinery £m**	2003 Land and Buildings £m	2003 Plant and Machinery £m
Payments to be made in the following year relating to annual operating lease commitments expiring:				
Within one year	**–**	**–**	0.2	–
Between two and five years	**1.0**	**21.9**	0.2	–
Greater than five years	**1.9**	**–**	2.5	19.3

22. Pension arrangements

The Company operates a defined contribution scheme. Employees who transferred from shareholder companies have continued to participate in their respective shareholder pension plans via an agreed deed of participation. All amounts payable under these schemes are charged to the profit and loss account as they fall due. The total amount charged in respect of pensions to the profit and loss account in 2004 was £1.9m (2003: £1.7m).

23. Contingent loan notes

Camelot entered into a contingent loan note arrangement during the course of 2001 with its shareholders. Camelot will issue loan notes to the shareholders in the event that equity shareholder funds fall below £50m and certain cash accounts fall below £25m. Camelot shareholders will subscribe in proportion to their aggregate of class 'A' and 'B' shares, an amount to bring either equity shareholders' funds back to £50m or cash accounts back to £25m.

24. Related party transactions

Camelot has a number of contracts with its shareholders, their parent and/or their subsidiary companies. The main services provided during the year were:

Fujitsu Services Limited
Terminal maintenance
Installation of terminals

Royal Mail Enterprises Limited
National Lottery retailer
Distribution of advertising materials

The amounts included in the financial statements for the financial year ended 31 March 2004 (and 31 March 2003) excluding VAT are given below:

	Year ended 31 March 2004	**As at 31 March 2004**	Year ended 31 March 2003	As at 31 March 2003
	Purchases of revenue items and stock £m	**Amount due to related party £m**	Purchases of revenue items and stock £m	Amount due to related party £m
Fujitsu Services Limited	**4.9**	**–**	5.9	(0.1)
Royal Mail Enterprises Limited	**9.0**	**–**	12.9	–

Royal Mail Enterprises Limited in its capacity as the largest National Lottery retailer also earned sales and prize commissions of £39.2m (2003: £46.4m).

In addition, the following cash payments were made in respect of consortium taxation relief during the year:

	2004 £m	2003 £m
Cadbury Schweppes plc	**2.7**	2.3
De La Rue Holdings plc	**4.2**	2.1
Fujitsu Services Limited	**1.1**	1.8
Thales Electronics plc	**2.1**	3.1
Royal Mail Enterprises Limited	**2.5**	1.2
	12.6	10.5

Also, during the course of the year, Camelot entered into the following transactions with 'Services aux Loteries en Europe SCRL' (SLE), a company incorporated in Belgium in which Camelot has a 33.3% stake. The purpose of SLE is to provide services to lotteries in Europe who participate in the EuroMillions game.

	2004 £m	2003 £m
Purchases	**0.2**	–
Amounts owed to SLE	**–**	–
Sales	**0.1**	–
Amounts owed by SLE	**0.1**	–

25. *Subsidiary undertakings*
Camelot Group plc owns the entire equity share capital of the following dormant companies:

Camelot Lotteries Limited
National Lottery Enterprises Limited
CISL Ltd

These subsidiaries have share capital of £5 in total. This amount represents Camelot's cost of investment in these subsidiaries. They are not material for the purpose of giving a true and fair view for these financial statements and have not been consolidated.

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Performance Standards 2004

	Description of Standard	Target	Year End Actual
General matters	Payments to Secretary of State	100.00%	99.40%
Computer systems	Terminal sales availability	99.50%	99.87%
	Terminal validation availability	99.00%	99.94%
Retailer matters	Response to retailer selection request	95.00%	100.00%
	Response to retailer correspondence	95.00%	100.00%
Player service	Response to correspondence by National Lottery Line	95.00%	97.64%
	General complaints by Players	95.00%	95.39%
	Access to National Lottery Line Voice Response System		
	Wed (20.00 - 23.00)	90.00%	99.99%
	Sat (20.00 - 23.00)	85.00%	100.00%
	All other times	97.00%	100.00%
	Access to National Lottery Line Representative		
	Saturday (20.00 - 23.00)	80.00%	86.39%
	All other times	90.00%	89.43%
	Failure to Opt (FTO%)	<8%	4.13%
Prize payment Normal claims	Prize claims made in person	92.50%	98.98%
	Prize claims made by post	95.00%	99.32%
Claims requiring investigation	**Draw based**		
	Resolution of lost, stolen or destroyed tickets	75.00%	91.02%
	Missing Exchange	90.00%	97.61%
	Damaged Tickets	95.00%	199.27%
	Previously validated	90.00%	96.02%
	Scratchcards		
	Damaged tickets	95.00%	99.20%
	Stolen tickets/packs	92.50%	99.21%
	Previously validated tickets	95.00%	99.12%
	Any other claims investigations	75.00%	98.99%

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Performance Standards – Interactive 2004

	Description of Standard	Target	Year End Actual
System Availability	Availability to play games	99.00%	99.05%
Customer Contact	Voice contact with customer call centre	80.00%	82.95%
	Abandoned call to customer call centre	<5%	5.15%
	Customer contact via e-mail	80.00%	89.73%
	Mail server performance	<1%	0.00%
	Response to letters	95.00%	100.00%
	Contact resolution (enquiries)	80.00%	99.76%
	Acknowledgement of complaints received in writing	95.00%	100.00%
	Effectiveness of complaint resolution	75.00%	97.81%
	Complaint resolution	90.00%	97.98%
Prize Payout	Prizes paid to wallets	100.00%	100.00%
	Prizes paid to bank accounts	99.00%	100.00%
	Prizes payable by cheque	95.00%	100.00%
Resolution of Financial Disputes	Resolution of disputed prize claims	95.00%	100.00%
	Resolution of financial disputes	75.00%	100.00%

Distributors of National Lottery funding 2004

Good Causes

Good Causes Information Line
0845 275 0000

Good Causes Website
www.lotterygoodcauses.org.uk

National Lottery Promotions Unit
1 Plough Place
London
EC4A 1DE
020 7211 3991

Charities, Health, Education and Environment

Big Lottery Fund
1 Plough Place
London
EC4A 1DE
020 7211 1800

Sports

UK Sport
40 Bernard Street
London
WC1N 1ST
020 7211 5100

Sport England
3rd Floor
Victoria House
Bloomsbury Square
London
WC1B 4SE
08458 508508

sportscotland
Caledonia House
No 1 Redheughs Rigg
Edinburgh
EH12 9DQ
0131 317 7200

Sports Council for Northern Ireland
House of Sport
2a Upper Malone Road
Belfast
BT9 5LA
028 9038 1222

Sports Council for Wales
Sophia Gardens
Cardiff
CF11 9SW
029 2030 0500

Arts

Arts Council England
14 Great Peter Street
London
SW1P 3NQ
020 7333 0100

Scottish Arts Council
12 Manor Place
Edinburgh
EH3 7DD
0131 226 6051

Arts Council of Northern Ireland
MacNeice House
77 Malone Road
Belfast BT9 6AQ
028 9038 5200

Arts Council of Wales
9 Museum Place
Cardiff
CF10 3NX
029 2037 6500

UK Film Council
10 Little Portland Street
London
W1W 7JG
020 7861 7861

Scottish Screen
249 West George Street
Glasgow
G2 4QE
0141 302 1700

Heritage

Heritage Lottery Fund
7 Holbein Place
London
SW1W 8NR
020 7591 6000

Millennium

Millennium Commission
Portland House
Stag Place
London
SW1E 5EZ
020 7880 2001

Other organisations distributing lottery funding

Awards for All
Ground Floor
St Nicholas Court
25–27 Castle Gate
Nottingham
NG1 7AR
0115 934 9350

The National Endowment for Science, Technology and the Arts (NESTA)
Fishmongers' Chambers
110 Upper Thames Street
London
EC4R 3TW
020 7645 9500

National Foundation for Youth Music
1 America Street
London
SE1 0NE
020 7902 1060

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WD18 9RN
01923 425 000
www.national-lottery.co.uk
www.camelotgroup.co.uk

National Lottery Line
Avalon House
Tolpits Lane
Watford
WD18 9RN
0845 9100 000

Aintree Sales Contact Centre
Units 2A & 2B
Olympic Way
Sefton Business Park
Aintree
Liverpool
L30 1RD
0845 9666 768
(Telesales)
0845 9125 000
(Subscription telephone sales)

Press Office & Government Relations
Burleigh House
357 The Strand
London
WC2R OHS
020 7632 5711

Retailer enquiries
Retailer Hotline
0800 064 9649

Player enquiries
National Lottery Line
0845 9100 000
0845 9100045
Minicom facility

National Lottery Subscriptions
0845 9125000

Under—16s sales prevention
Hotline 0870 1600016

Social Report feedback
Clare Griffin
Social Responsibility Manager
Camelot Group plc
Tolpits Lane
Watford
WD18 9RN

Regional Centres
Belfast
Lombard House
10–20 Lombard Street
Belfast
BT1 1RD
028 9023 9063

Cardiff
Willow Court
The Orchards
Ty-glas Avenue
Llanishen
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CF14 5DZ
029 2068 9625

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Linnet Way
Strathclyde Business Park
Bellshill
North Lanarkshire
ML4 3RA
01698 845666

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Aintree
Liverpool
L30 1RD
0151 478 5000

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Tolpits Lane
Watford
WD18 9RN

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Bankers
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Financial Advisors
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A division of Swiss Bank Corporation

Other addresses
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Grosvenor Place
London
SW1W 0EX
020 7828 6085
www.camelotfoundation.org.uk

National Lottery Commission
101 Wigmore Street
London
W1U 1QU
020 7016 3400
www.natlotcomm.gov.uk

Department for Culture, Media & Sport
2/4 Cockspur Street
London
SW1Y 5DH
020 7211 6000
www.culture.gov.uk

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